



The Evening Star Building

# Downtown as the Center of Commerce

Downtown’s commercial office buildings house the core industries that anchor the city’s economy. With more than 70 million square feet of office space and Approximately 200,000 workers, the downtown office market is one of the largest and strongest in the country. Vacancy rates have steadily declined over the last three years and some new developments are achieving rents in excess of \$50 per square foot, among the highest in the nation. After rebounding from the recession of the early 1990s, the Downtown office market now has approximately 3.7 million-sq. ft. of office space under construction or programmed.

Downtown’s competitive advantage is its location and its sense of place. But Downtown faces many future challenges, including regional competition and physical constraints to growth. Based on projected job growth of 10,000 new office employees between 2000 and 2005, there will be demand over the next five years for approximately 2.1 million square feet of additional office space in the “Downtown” area. Long-range projections suggest that over the next 20 years, there will be demand for an additional 13-18 million square feet of office space.

District Office Market Total Supply 1993-1998 (in Thousands)							
Submarket	1993	1994	1995	1996	1997	1998	Total Change
Total Washington	85,449	88,095	91,466	91,701	92,471	93,511	8,062
East End (Downtown)	25,009	26,199	27,782	27,993	28,101	28,520	3,511

Note: Does not include approximately 11.9 million square feet of GSA owned property.  
Source: Spaulding & Slye; Economics Research Associates

Based on the development potential of Downtown and adjacent subareas shown in the table below, there will be a shortage of space available to meet the 20-year demand.

New commercial areas are emerging to accommodate the demand: the expanded Downtown East area, NoMa, the Southeast Federal Center, and the Anacostia waterfront. Although the office market is strong today, it is important that Downtown remain competitive relative to the outlying suburbs and it is important to integrate and coordinate the development of future commercial centers.



Franklin Square

Development Potential	
Location	Square Feet
Remainder of Downtown (Squares 285,343,370,372,406,452,456)	1,900,000
I-395 Air Rights	850,000
Remainder of Downtown East (Squares 571, 626, 628)	550,000
H Street Area (Squares 622,W623,W624) <sup>2</sup>	1,500,000
Mount Vernon Triangle <sup>1</sup>	1,900,000

1/ recommended limit of 1.9 msf to accommodate increased housing  
2/ generally considered to be located outside of the traditional downtown area  
Source: D.C. Office of Planning, D.C. Office of Tax and Revenue, EDAAW, Inc.

## Strategy One: Guide Downtown Commercial Growth Eastward



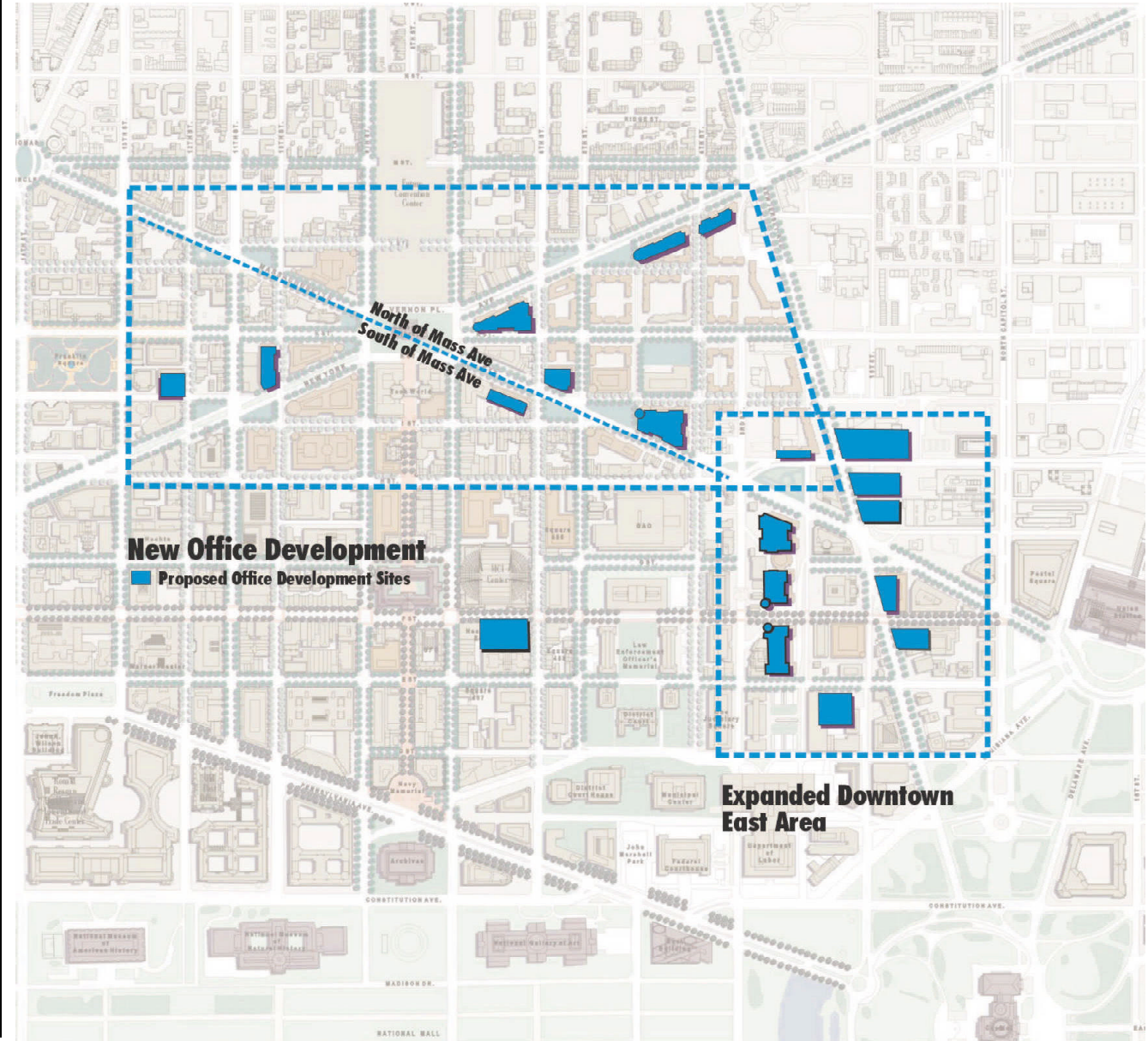
*Federal agencies occupy an estimated 11.9 million square feet of office space.*

The scarcity of land within the conventional Downtown area has begun to push office development to the fringes of the central business district. Since the commercial land in Downtown can accommodate only 2 million square feet of additional office space south of Massachusetts Avenue before reaching build-out, new locations for employment growth must be identified.

The Downtown Action Agenda recommends that downtown commercial growth be encouraged to move eastward and connect with the emerging commercial corridor on North Capitol Street. This strategy is intended to encourage the utilization of approximately 3 million square feet which is available east of 3rd Street, and to protect the residential areas north of Massachusetts Avenue. Through strategic growth, Downtown's role as the premier employment center of the region will continue.



*Office building at 4th and F Streets*



## Strategy Two: Reknit the Urban Fabric by Extending the F Street Corridor

Office development with active street-level uses should be encouraged to extend eastward along F Street and span the air rights over I-395. Approximately 850,000 square feet of development could be accommodated in three air rights parcels between E Street and Massachusetts Avenue. This infill office development is the most economically viable approach to creating a continuous corridor of development from Downtown to Union Station.



*Connecting Downtown with Downtown East will expand the commercial core eastward to Union Station, rather than to Shaw.*

**Key Action: Plan for Extension of F Street and Air Rights Development Over I-395**



*The air rights above I-395 provide opportunities to increase the amount of developable space.*

## Strategy Four: Complete Commercial Buildout with Sensitivity to Residential Areas

As the conventional area of Downtown approaches build-out, the remaining sites for office development are located generally toward the edge of the commercial core, including parcels near Mount Vernon Square. In these locations, office design should be sensitive to residential areas by providing buildings which step down, by orienting service functions away from residences, and using other appropriate design techniques.

The Downtown Action Agenda envisions the Mount Vernon Triangle as a residential and mixed-use area with approximately 2 million square feet of new office space. A limited amount of commercial space would allow the area to reach the critical mass of housing necessary to create a neighborhood. Furthermore, the Action Agenda encourages the development of small-scale, street-level retail uses to serve both workers and residents and to help provide a more sensitive transition to residential areas.



*The remaining commercial sites in the traditional Downtown area are often located in the middle of blocks, adjacent to historic buildings, or near residential uses.*